

Kiran H. Mehta

kiran.mehta@troutman.com

July 27, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

RE: Public Staff, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
Joint Motion to Postpone Hearing and Additional Procedural Deadlines
Docket No. E-7, Sub 1214
Docket No. E-2, Sub 1219
Docket No. E-7, Sub 1213
Docket No. E-7, Sub 1187

Dear Ms. Campbell:

On behalf of the Public Staff, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC, enclosed for electronic filing is a *Joint Motion to Postpone Hearing and Additional Procedural Deadlines*.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance in this matter.

Sincerely,

/s/ Kiran H. Mehta

Kiran H. Mehta

Enclosure

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1214

DOCKET NO. E-2, SUB 1219

DOCKET NO. E-7, SUB 1213

DOCKET NO. E-7, SUB 1187

DOCKET NO. E-7, SUB 1214

In the Matter of
Application of Duke Energy Carolinas, LLC for
Adjustment of Rates and Charges Applicable to
Electric Utility Service in North Carolina

DOCKET NO. E-2, SUB 1219

In the Matter of
Application of Duke Energy Progress, LLC
For Adjustment of Rates and Charges
Applicable to Electric Service in North
Carolina

DOCKET NO. E-7, SUB 1213

In the Matter of
Application for Approval of Proposed Prepaid
Advantage Program

DOCKET NO. E-7, SUB 1187

In the Matter of
Application of Duke Energy Carolinas, LLC for
an Accounting Order to Defer Incremental
Storm Damage Expenses Incurred as a Result of
Hurricanes Florence and Michael and Winter
Storm Diego

**JOINT MOTION TO POSTPONE
HEARING AND ADDITIONAL
PROCEDURAL DEADLINES**

NOW COMES the Public Staff by and through its Executive Director,
Christopher J. Ayers (“Public Staff”); Duke Energy Carolinas, LLC (“DE Carolinas”); and
Duke Energy Progress, LLC (“DE Progress”) (DE Carolinas and DE Progress, each a

“Company” and collectively the “Companies”) (Public Staff and the Companies, collectively, “Movants”), by and through their legal counsel and move:

- (i) That the remote, consolidated evidentiary hearing in the above-captioned dockets, currently scheduled to begin on July 28, 2020, be postponed until Monday, August 24, 2020;
- (ii) That the Commission accept Movants’ filing of partial settlements in these dockets on or before August 3, 2020 as the Companies’ response in satisfaction of the Commission’s July 21, 2020 *Order on Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s Second Supplemental Testimony* (“*July 21 Order on Second Supplemental Testimony*”), and grant the Companies an extension of time to file such response from July 27, 2020, when such response is currently due, until the partial settlements are filed with the Commission; and
- (iii) That the Companies have eight additional days, or until August 5, 2020, to file the additional testimony and exhibits related to the Grid Improvement Plan requested by the Commission in its July 23, 2020 *Order Requiring Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, to File Additional Testimony on Grid Improvement Plans and Coal Combustion Residual Costs* (“*July 23 Order Requiring Additional Testimony*”).

In support of this Joint Motion, Movants show as follows:

BACKGROUND

1. On September 30, 2019, DE Carolinas filed its rate case Application in Docket No. E-7, Sub 1214 (the “DE Carolinas Rate Case”). On October 29, 2019, the

Commission issued its *Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings, and Requiring Public Notice*. Pursuant to that Order, *inter alia*, the Commission declared the DE Carolinas Rate Case to be a general rate case and scheduled an evidentiary expert witness hearing to begin on March 23, 2020. On March 16, 2020, in light of the novel Coronavirus (“COVID-19”) pandemic, DE Carolinas filed a motion requesting that the Commission postpone the evidentiary hearing and suspend the procedural schedule. That same day, the Commission issued its Order Postponing Hearing and Addressing Procedural Matters postponing the evidentiary hearing until further order of the Commission.

2 On October 30, 2019, DE Progress filed its rate case Application in Docket No. E-2, Sub 1219 (the “DE Progress Rate Case”). On November 14, 2019, the Commission issued its *Order Establishing General Rate Case and Suspending Rates* and on December 6, 2019, the Commission issued its *Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Guidelines, and Requiring Public Notice*. Pursuant to those Orders the Commission, *inter alia*, declared the DE Progress Rate Case to be a general rate case and scheduled an evidentiary expert witness hearing to begin on May 4, 2020. On March 24, 2020, as a result of the COVID-19 pandemic, the Commission issued its *Order Suspending Procedural Schedule and Continuing Hearing*, which continued the evidentiary hearing until further order of the Commission.

3 On May 6, 2020, the Movants filed a *Joint Motion to Consolidate Evidentiary Hearings* and on May 29, 2020, the Commission issued its *Order Proposing Procedures for Partially Consolidated Expert Witness Hearing*. Following a pre-hearing

conference held on June 6, 2020, the Commission issued its *Order Adopting Procedures for Expert Witness Hearings* on June 17, 2020, consolidating the Companies' rate cases for hearing to commence on July 27, 2020 to consider certain consolidated issues to be followed by hearings to consider DE Carolinas-specific issues and DE Progress-specific issues. On July 2, 2020, the Companies filed a list of proposed topics that the parties either support or do not oppose being considered during the consolidated phase of the hearing. On July 9, 2020, the Commission issued its *Order Accepting Recommended Consolidated Issues for Remote Expert Witness Hearing and Postponing Separate Issues Hearings* identifying the topics to be considered during the consolidated phase of the hearings to include: (1) financial issues including the rate of return on common equity, cost of debt, capital structure of the utilities to be used to determine the overall weighted cost of capital, and credit quality issues; (2) treatment of excess deferred income taxes; (3) the Grid Improvement Plan; and (4) affordability.

4. On July 21, 2020, the Commission issued its *Order on Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Second Supplemental Testimony* requiring the Companies on or before July 27, 2020, to file a statement in their respective general rate case dockets electing one of the options set forth by the Commission in the Order concerning the Companies' May 2020 updates to certain pro forma adjustments.

5. On July 23, 2020, the Commission issued an *Order Requiring Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, to File Additional Testimony on Grid Improvement Plans and Coal Combustion Residual Costs*. This Order requires the Companies to file additional testimony and exhibits with information requested by the Commission concerning the Grid Improvement Plan on or before July 28, 2020.

6 On July 24, 2020, upon verbal motion of the Public Staff, the Commission issued an *Order Granting Continuance of Consolidated, Remote Hearing*, postponing the commencement of the consolidated hearing by one day to July 28, 2020, to allow additional time for continued settlement discussions between the Public Staff and the Companies.

STIPULATION WITH PUBLIC STAFF

7. On July 27, 2020, the Public Staff reached partial settlements in principle with each of the Companies regarding several remaining issues involved in DE Carolinas' and DE Progress' pending rate cases ("July 27 Settlements"), including issues that otherwise would have been litigated between the parties during the consolidated hearing. The Public Staff and the Companies will file the stipulations and agreements memorializing the July 27 Settlements on or before August 3, 2020. The Public Staff and the Companies anticipate that the July 27 Settlements will eliminate the need for a substantial amount of cross-examination of witnesses. Moreover, the Public Staff and the Companies believe that the delay in the hearing schedule will give all parties and the Commission an opportunity to review the July 27 Settlements prior to beginning the hearing, which potentially will lead to shorter and more efficient hearings. Therefore, the Public Staff and the Companies request that the remote, consolidated evidentiary hearing be delayed until Monday, August 24, 2020. The Commission already contemplates that the Company-specific evidentiary hearings will follow shortly thereafter, and the Movants at this time make no further request regarding those hearings.

8. Further, per the *July 21 Order on Second Supplemental Testimony*, the Companies are required to file a statement on or before July 27, 2020 electing whether to adopt or withdraw their Second Supplemental Testimony filed on July 2, 2020. The July

27 Settlements include an agreed timeline for the review and audit by the Public Staff of the Companies' Second Supplemental Testimony and the impact of the Companies' Second Supplemental Testimony on the partial settlements previously reached with the Public Staff. Accordingly, the Companies believe that the July 27 Settlements, once filed, will satisfy the Commission's directives to select an option, and therefore request that the July 27 Settlements serve as the response to the Commission's Order. To that end, Movants request that the Commission extend the time at which the Companies must respond to the *July 21 Order on Second Supplemental Testimony* through the date that Movants file the July 27 Settlements with the Commission.

9. Finally, the Companies request an additional eight (8) days, through August 5, 2020, to file the requested additional testimony and exhibits regarding the Grid Improvement Plan pursuant to the *July 23 Order Requiring Additional Testimony*. The Companies make this request to allow the Movants additional time to prepare and file the requested testimony to finalize the July 27 Settlements and related settlement testimony. With additional time to focus on the July 27 Settlements, the parties can improve the efficiency of the consolidated hearings by focusing the presentation of evidence and cross examination.

PUBLIC STAFF AND COMPANIES' REQUESTS

WHEREFORE, the Public Staff and the Companies respectfully request:

1. That the remote consolidated evidentiary hearing in the above-captioned dockets be postponed until Monday, August 24, 2020;
2. That the Commission accept the July 27 Settlements, when filed, as the Companies' response in satisfaction of the Commission's *July 21 Order on Second*

Supplemental Testimony, and that the Commission extend the Companies' deadlines to respond to the *July 21 Order on Second Supplemental Testimony* to the date the July 27 Settlements are filed;

3. That the Companies shall have until August 5, 2020, to file the additional testimony and exhibits the Commission ordered the Companies to file by July 28, 2020 pursuant to the Commission's *July 23 Order Requiring Additional Testimony*; and

4. For such other and further relief as the Commission may deem just and proper.

CONCLUSION

For the foregoing reasons, Movants respectfully request that the Commission issue an order granting the relief sought by this Joint Motion.

Respectfully submitted, this the 27th day of July 2020.

PUBLIC STAFF

Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

/s/ Dianna W. Downey, Chief Counsel
Elizabeth D. Culpepper, Staff Attorney
William E. Grantmyre, Staff Attorney

4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110
dianna.downey@psncuc.nc.gov
elizabeth.culpepper@psncuc.nc.gov
william.grantmyre@psncuc.nc.gov

**DUKE ENERGY CAROLINAS, LLC AND
DUKE ENERGY PROGRESS, LLC**

/s/ Kiran H. Mehta

Kiran H. Mehta (NC Bar No. 11011)
Molly McIntosh Jagannathan (NC Bar No. 36931)
Troutman Pepper Hamilton Sanders LLP
301 South College Street, Suite 3400
Charlotte, North Carolina 28202
Tel: 704-998-4072
kiran.mehta@troutman.com
molly.jagannathan@troutman.com

/s/ Lawrence B. Somers

Lawrence B. Somers
Deputy General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, North Carolina 27602-1551
Telephone: 919.546.6722
bo.somers@duke-energy.com

/s/ Brian S. Heslin

Brian S. Heslin
Deputy General Counsel
Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202
Telephone: 980.373.0550
brian.heslin@duke-energy.com

/s/ Camal O. Robinson

Camal O. Robinson
Associate General Counsel
Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202
Telephone: 980.373.2631
camal.robinson@duke-energy.com

**ATTORNEYS FOR DUKE ENERGY
CAROLINAS, LLC AND DUKE ENERGY
PROGRESS, LLC**

CERTIFICATE OF SERVICE

DOCKET NO. E-7, SUB 1214
DOCKET NO. E-2, SUB 1219
DOCKET NO. E-7, SUB 1213
DOCKET NO. E-7, SUB 1187

I hereby certify that a copy of the foregoing **JOINT MOTION TO POSTPONE HEARING AND ADDITIONAL PROCEDURAL DEADLINES** was served electronically or by depositing a copy in United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 27th day of July, 2020.

/s/ Kiran H. Mehta

Kiran H. Mehta

Troutman Pepper Hamilton Sanders LLP

301 S. College Street, Suite 3400

Charlotte, North Carolina 28202

Telephone: 704.998.4072

Kiran.mehta@troutman.com

ATTORNEY FOR DUKE ENERGY
CAROLINAS, LLC AND DUKE ENERGY
PROGRESS, LLC